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ED/EC M-248

July 1, 1957

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

MINUTES

2:00 p.m., Friday, June 28, 1957
Room 1213 Maiatico

Attendance

MDAC

Mr. Hale, Chairman
Mr. Wight
Mr. Kramer, Executive Secretary
Miss Rector, Committee Secretary

CIA

Mr. [REDACTED] 25X1A9a

Commerce

Mr. George

Defense

Col. Green
Mr. Martino

ICA

Mr. Slaght

State

Mr. Hamilton (DFI)

Treasury

Mr. Pollak

Agenda

IL II Quotas for China.
(Ref. ED/EC D-119; WG I D-72.2; WG I D-72.3)

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IL II Quotas for China.

(Ref. ED/EC D-119; WG I D-72.2; WG I D-72.3)

Decisions

1. The Executive Committee agreed that the Department of State member would be advised that it was the consensus of the other EC members that, as a minimum, an instruction along the following lines should be sent to the USDEL, because in the absence of the State member it was not possible to establish a U.S. position today in terms of any greater detail:

(a) That the USDEL should request the CHINCOM Chairman to open the meeting with a statement calling attention to the general principles set forth in COCOM Doc. 470 and included in the series of documents showing List II controls for each year, and indicating that these COCOM principles apply and should be rigidly adhered to in this exercise.

(b) That the USDEL, in discussing the matter with the CHINCOM Chairman, should point out the possibility that the British, or some other delegate, may again make a statement that the List II items are in their opinion not strategic, and request that the Chairman rule any such statements out of order and indicate that such statements are not in accordance with the agreed COCOM principles set forth in COCOM Doc. 470.

(c) That the USDEL should make the point with the Chairman that he seek to have agreement that all actions taken are interim actions and are only applicable for the remainder of 1957, and that the actions taken imply no commitment for actions that may be taken on List II items in the forthcoming fall discussions of List II controls for 1958, and ensuing years.

(d) That the instruction repeat what our general line has been, i.e., that our objectives are to maintain the lowest quotas possible, etc., and that with respect to July 1, the USDEL make a brief statement covering these points, and indicate that he will participate in the discussions without at that point committing himself as to whether he will or will not be bringing in positive recommendations.

(e) That the USDEL should on July 1 reserve the right to enter some proposals with respect to this matter at some subsequent date.

(f) That the USDEL should immediately report back to Washington the results of the July 1 meeting and his appraisal of them.

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2. The Executive Committee requested WG I, as soon as possible and in no event later than July 12, to forward its recommendations on what items, if any, among the IL III and 35 CCSL items the U.S. might propose for addition to List II.

Discussion

With respect to para. 1(f), above, it was noted that by the time the USDEL's report was received, Washington would probably be in a position to know whether the U.S. wanted to put in any quota proposals, and could then decide whether any of the recommended quota positions contained in the report of the WG I Ad Hoc Committee on China Quotas needed to be modified before they were submitted. It was further noted that if it was decided that the U.S. should put in proposals, there would still be some time for bilaterals before the CHINGOM discussions commence on July 16.

With respect to para. 2, above, the Executive Committee advised WG I that it was considered necessary that WG I work expeditiously to determine whether there are any items among the List III and 35 CCSL items that the U.S. would like to see added to List II, and that State had reinforced this request today. It was the consensus that determination of the question of technical support for the USDEL during the forthcoming discussions would probably depend on the extent of the U.S. proposals. It was recognized that if a proposal for addition to List II were made by the U.S. during the forthcoming discussions on China quotas, the CHINCOM Chairman could rule that it was a COCOM matter not appropriate for the present discussions. The Chairman thought that if it were agreed that there were items we would like to propose for List II, the appropriate thing to do would be to make the proposals at a COCOM meeting before July 16, and then state to the COCOM Chairman that we would like to have our proposals considered as quickly as possible because CHINCOM in its discussions might have a problem addressed to these items.

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